(Expurgated Version of Events Which will be basis for ABC News Handling of Story)

NOTE: These points probably will be brought out in question and answer style in television interview with Scali. Exact text of Q & A will be written in advance.

On the afternoon of Friday, October 26, at 1:30 pm, Mr. Scali received an urgent telephone call from a high ranking Soviet embassy official whom we can identify only as Mr. "X". Mr. "X" was known to Mr. Scali as an important, knowledgeable embassy official. He suggested Mr. Scali meet him for lunch immediately to talk over some undisclosed matters. Mr. Scali had lunched with Mr. "X" previously on half a dozen occasions, as he has with embassy officials of many countries, in keeping with his role as a diplomatic reporter. But the invitation this time was not that the luncheon be arranged for two or three days later, as was customary in meetings with him. Mr. Scali, sensing something important might be on Mr. "X's" mind, in connection with the Cuban crisis, agreed to the luncheon and arranged to meet him at the Occidental Restaurant at 2 pm.

After some brief preliminary remarks, during which both agreed the Cuban crisis was at an exceedingly dangerous stage, Mr. "X" requested that Mr. Scali "check immediately with your high State Department sources" to find out whether a solution to the crisis could be worked out along the following lines: (1) The Soviet Union would agree to dismantle and remove offensive missiles from Cuba; (2) it would allow United Nations international inspection of the removal; (3) the Soviet government would pledge not to re-introduce them, ever, to Cuba; (4) in return, the United States would pledge publicly not to invade Cuba. He added that if Ambassador Stevenson pursued this approach at the United Nations where U Thant was attempting to mediate, Mr. Zorin would be interested.

Mr. "X" asked Mr. Scali his personal reaction to the proposed solution. Mr. Scali replied, speaking as a newsman, that he believed such an arrangement might be worth discussing but that he did not know for certain from any official source. He told Mr. "X" he would immediately bring it to the attention of appropriate officials, in keeping with Mr. "X's" request. Mr. "X" told him the matter was of great urgency. He gave Mr. Scali his home telephone number where he could be reached in the event he were not at the embassy when Mr. Scali phoned with a reply.

Mr. Scali went immediately to the State Department. He typed out a five paragraph memorandum, outlining what Mr. "X" had said, and gave it to a high ranking department official. The official said the conversation could be of great importance. Within 10 minutes, he gave the memorandum to Secretary Rusk. On reading it, Mr. Rusk immediately phoned Secretary McNamara to discuss the development with him. Mr. Rusk and the highest officials continued to discuss the matter while Mr. Scali returned to his repertorial duties.

And A

A few minutes after appearing on ABC's "Evening News Report", (where Mr. Scali did NOT mention the meeting with Mr. "X", nor any of the information), Mr. Scali was phoned at his office by the Department official to whom he had handed the memo. The department official requested that Mr. Scali immediately come to his office without telling anyone. Mr. Scali was there in 10 minutes. On arriving, the official escorted him to Mr. Rusk's office, via the private elevator.

Mr. Rusk told Mr. Scali the development could be of great importance because the Soviets sometimes use such unofficial channels to test American government reaction before they make official proposals. The conversation reported by Mr. Scali, he said, was the first direct word from the Soviet government that it might be thinking of a solution along these lines. It fitted into some hints that the Soviets might indeed be prepared to pull out the missiles. Mr. Rusk then asked Mr. Scali to go back to the Soviet embassy diplomat. Mr. Rusk then handed Mr. Scali a memo which he, Mr. Rusk, had written by hand, on a yellow piece of ruled paper. He asked that Mr. Scali tell Mr. "X" what was written in the memo. The memo said:

"I have reason to believe that the USG (U. S. Government) sees real possibilities and supposes that the representatives of the two governments in New York could work this matter out with U Thant and with each other. My impression is, however, that time is very urgent."

Mr. Rusk told Mr. Scali that if Mr. "X" questioned him about the authenticity of his information, Mr. Scali could say "the information comes from the highest sources in the government of the United States."

Mr. Scali then phoned Mr. "X" at the Soviet embassy and arranged to meet with him fifteen minutes later, at 7:35 pm, in the Coffee Shop of the Statler Hotel, a block away from the Soviet embassy.

Over coffee, Mr. Scali informed Mr. "X" of the American government reaction. Word-for-word, from memory, he repeated the Rusk handwritten memorandum, but he did NOT identify the source. Under insistent questioning, he said only that the reaction came from the highest sources in the United States government. Mr. "X" appeared satisfied that this indeed was the case.

At this point, Mr. "X" sought to inject a completely new element into the proposed solution. Since there was to be inspection of Cuban bases, he said, why shouldn't there be inspection of American bases in Florida from where an invasion might originate as well as inspection of other potential jumping off points against Cuba in the Caribbean? Mr. Scali replied that this was a completely new element which Mr. "X" had not raised in the initial conversation. Mr. "X" agreed. But, he said, he was just asking. Mr. Scali replied that he had no official information on what the American reaction would be but that, speaking as a reporter, it was his view that this new element would raise a terrible complication, since there were no American missiles pointed at Cuba and since the situations were entirely different. Mr. Scali said in view of this it was his personal opinion that President Kennedy would reject any such inspection of American territory. Mr. Scali then re-emphasized that time was of the greatest urgency and that if time were spent in talking about this new element, it might turn out to be a disaster for Cuba and the Soviet Union. Mr. "X" told Mr. Scali he could assure him the information would be communicated immediately to the highest sources and simultaneously to Mr. Zorin. He thanked Mr. Scali and said they should remain in close touch and that Mr. Scali should feel free to phone him at any time, day or night, either at the embassy or his home.

At 8:45 pm, Mr. Scali then reported back to the State Department. He was immediately taken by the same high official to see Mr. Rusk. Mr. Scali reported on the results of his talk, including the new element Mr. "X" had sought to raise. Mr. Rusk at that time was just beginning to receive the full text of Premier Khrushchev's confidential message of October 26th. This demonstrated a proper anxiety on Mr. Khrushchev's part that the Soviet Union and the United States were close to war. In it, Mr. Khrushchev hinted but did not specifically state that Russia would agree to remove the offensive weapons, plus the Soviet technicians. The Khrushchev message said nothing about inspection or verification of the dismantling and removal. However, it did NOT link the removal to dismantling of any American base in Turkey or anywhere else.

Mr. Rusk then thanked Mr. Scali for his secret role. "You have served your country well John," he said. If the crisis is resolved by Russia's pulling out the weapons, along the lines indicated by the message and Mr. "X", "when you report this, remember, eyeball to eyeball, they blinked first".

Secretary Rusk then instructed his intelligence chief, Roger Hilsman, and his Soviet specialists to examine the Khrushchev message minutely, also taking into account what Mr. "X" said, to determine whether there were any traps, so that a complete analysis could be made available to the President at the earliest moment. Mr. Hilsman and his staff, as well as other department officials, worked throughout the night to prepare a top secret memorandum for the President. Mr. Rusk and other members of the President's Executive Council had this before them when they met at the White House Saturday, October 27, at 10:05 a.m.

Even as the President and his top aides were considering the next step, Radio Moscow broadcast the text of a new Khrushchev note. The first bulletin cleared the news wires at 10:17 am. This seemed to reverse the attitude Mr. Khrushchev expressed in the confidential message the previous evening and linked removal of the Soviet weapons in Cuba with dismantling of the American base in Turkey. This surprise development caused a swift re-examination of all developments. Which message represented the Soviet government view? What should be done?

Mr. Rusk called Mr. Scali to his office again at 3:30 pm that afternoon. His manner was grave. "What happened, John?" he asked. Mr. Scali replied that in his view the Soviets had either decided to raise the ante, or the entire operation conducted by Mr. "X" had been a trap to divert attention while the Soviets planned a doublecross. Mr. Rusk suggested Mr. Scali go back to Mr. "X" and ask what happened. Mr. Scali phoned Mr. "X" and set up an appointment fifteen minutes later at 4:15 pm. They met in a deserted banquet hall in the mezzanine of the Statler Hotel.

Mr. "X" sought to explain the Saturday morning message broadcast by Radio Moscow as one which was drafted before the embassy message, based on Mr. "X"'s report, had reached the Kremlin. He professed to know nothing whatever about the Khrushchev message sent the night before which the State

(What follows now is interpretation on ABC's part. The exact wording will be decided on later but these will be the main points:)

Then followed one of the most skillful diplomatic moves ever to lead the world out of a dangerous crisis. In replying to Mr. Khrushchev's two messages, Mr. Kennedy ignored the second one of Saturday morning which sought to link dismantling of the Cuban bases with dismantling of the American bases in Turkey. In order to lead Mr. Khrushchev out of the blind alley where Soviet miscalculation had thrust him, Mr. Kennedy, with the advice of Secretary Rusk and other high advisers, accepted a Khrushchev proposal to withdraw the missiles, under international observation and supervision -- a proposal which Mr. Khrushchev never actually made in his message. This idea that he would withdraw the missiles under inspection was contained only in the Mr. "X" conversation with Mr. Scali, and it was this proposal which Mr. Kennedy accepted with the hope that this unofficial offer was as much a part of the Soviet government position as the hints in the Khrushchev message of Friday night. This helps explain the curious wording in the Kennedy message on the late afternoon of October 27-- "As I read your letter, the key elements of your proposals -- which seem generally acceptable as I understand them -- are as follows. "

This brilliant maneuver gave Mr. Khrushchev the opportunity to back away gracefully. And the key element was the so-called "X Formula" named after the Soviet diplomat who disclosed it to Mr. Scali. References to this formula were in the top secret paper which guided Mr. Kennedy in formulating his reply.

On the afternoon of Sunday, October 28th, after Mr. Khrushchev had broadcast acceptance of the President's message Mr. Scali met again with Mr. "X". Mr. "X" said that he had been instructed to thank Mr. Scali, that the information he had provided "including your explosion of Saturday" had been of the greatest importance to the highest Soviet officials in making up their mind.

This was a unique, historic role for a reporter. He voluntarily gave up a story of the highest journalistic importance with the full approval of his bureau chief, Robert Fleming, and his superior, James C. Hagerty, Vice President of the American Broadcasting Company, in order to play what part he could for his country in time of deepest crisis.

(Note 2: In order to protect Mr. "X", his actual name, of course.

will not be mentioned at any time, even in confidence. All reference to him will be in a manner calculated not to injure him in any way. He will be described as a dedicated communist of responsible stature, intelligent, thoroughly loyal to his government and as one who accurately realized the critical life and death issues involved.)